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New Number

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD\*  
CARL C. DAVIS\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE\*  
GEORGE JOHN KETO\*  
MILTON C. GRACE\*  
JAMES C. MARTIN, JR.\*

\*NOT A MEMBER OF D.C. BAR  
\*ALSO ADMITTED IN NEW YORK  
\*ALSO ADMITTED IN OHIO  
\*ALSO ADMITTED IN MARYLAND

LAW OFFICES  
**ALVORD AND ALVORD**

200 WORLD CENTER BUILDING  
918 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C.

20006-2973

RECORDATION NO. 5620 Filed 1228

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INTERSTATE COMMERCE COMMISSION

May 5, 1988

No. 8-126A080

MAY 5 1988  
Date.....

Fee \$13.00.....

ICC Washington, D. C.

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two original fully executed copies of a Master Equipment Lease Agreement dated March 11, 1988, a primary document as defined in the Commission's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Pitney Bowes Credit Corporation  
201 Merritt Seven  
Norwalk, Connecticut 07054

Lessee: BASF Corporation  
8 Campus Drive  
Parsippany, New Jersey 07054

A description of the railroad equipment covered by the enclosed document is:

Four (4) 23,834 Gallon Shell Capacity 108" I.D.  
DOT 111A60ALWL Aluminum Railroad Tank Cars  
B.D. 52-238-5 bearing reporting marks and road  
numbers DBCX 457, DBCX 458, DBCX 460 and DBCX 461,  
and serial numbers T458602, T458603, T458605 and  
T458606, respectively.

*C. J. Kappler*  
*C. J. Kappler*

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
May 5, 1988  
Page Two

Also enclosed is a check in the amount of \$13 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A short summary of the enclosed primary document to appear in the Commission's Index is:

Master Equipment Lease Agreement dated March 11, 1988 between Pitney Bowes Credit Corporation, Lessor, and BASF Corporation, Lessee, covering four (4) aluminum tank cars, DBCX 457, 458, 460 and 461, and serial numbers T458602, T458603, T458605 and T458606, respectively.

Very truly yours,

Charles T. Kappler

Enclosures

**Interstate Commerce Commission**  
Washington, D.C. 20423

5/5/88

OFFICE OF THE SECRETARY

Charles T. Kappler

Alvord & Alvord

918 16th St. N.W.

Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/5/88 at 11:35am, and assigned recordation number(s). 15620

Sincerely yours,

*Narta L. McGee*

Secretary

Enclosure(s)

MAY 5 1988-11 25 AM

INTERSTATE COMMERCE COMMISSION

Lease Agreement made this 11 day of ~~February~~ March, 1988 between PITNEY BOWES CREDIT CORPORATION ("Lessor") with a place of business located at 201 Merritt Seven, Norwalk, Connecticut 06856-5151 and BASF CORPORATION ("Lessee") having its principal place of business located at 8 Campus Drive, Parsippany, NJ 07054.

1. LEASE AGREEMENT: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor all the machinery, equipment and other personal property (hereinafter called the "Equipment") described in the equipment lease schedule or schedules which are or may from time to time be executed by Lessor and Lessee and attached hereto or incorporated herein by reference (each such equipment schedule is hereinafter called an "Equipment Schedule"), upon the terms and conditions set forth in this Lease, as supplemented by the terms and conditions set forth in the applicable Equipment Schedule. All of the terms and conditions of this Lease shall govern the rights and obligations of Lessor and Lessee, except as specifically modified in writing. Whenever reference is made herein to "this Lease" it shall be deemed to include each of the various Equipment Schedules identifying all items of Equipment, all of which constitute one undivided lease of the Equipment, and the terms and conditions of which are incorporated herein by reference.

2.    **CONDITION PRECEDENT::** (a) The obligation of Lessor to lease any Equipment to Lessee under any Equipment Schedule shall be subject, on or as of the acceptance date of such Equipment, to (i) Lessee's acceptance of such Equipment, as evidenced by Lessor's receipt of an acceptance certificate in form and substance as shown on Exhibit "1", attached hereto and made a part hereof (hereinafter an "Acceptance Certificate"); (ii) Lessee's execution and delivery, at Lessee's expense, of the documents listed on Schedule A hereto and, in the event that circumstances may require, such additional documents as Lessor may reasonably deem to be necessary or desirable (each in form and substance satisfactory to Lessee and Lessor) to further establish, confirm or evidence Lessor's ownership of the Equipment; (iii) there not having occurred, since the date of the most recent financial statements for Lessee, any material adverse change in the financial condition of Lessee or in Lessee's ability to perform its obligations hereunder; (iv) Lessee's representations and warranties contained in this Lease being true and accurate as if made on and as of such date, and (v) Lessee's having performed and complied with all of its covenants and obligations hereunder and under any purchase agreement to be assigned to Lessor for the purposes hereof.

3.    **TERM:** The obligations under this Lease shall commence upon the written acceptance thereof by Lessor and shall end upon full performance and observance of each and every term, condition and covenant set forth in this Lease, each Equipment Schedule thereto and any extensions thereof. The rental term of the Equipment listed

in each Equipment Schedule shall commence on the acceptance date for the Equipment as shown on the applicable Acceptance Certificate and shall terminate on the last day of the term stated in such Equipment Schedule, unless such Equipment Schedule has been extended or otherwise modified in writing and signed by the Lessor and Lessee. Further, said rental term under each Equipment Schedule shall be worked into two parts: the first part shall commence on the acceptance date for the Equipment as shown on the applicable Acceptance Certificate and shall end on June 29, 1988 at 12:00 midnight (the "Interim Term"); the second part of the term of this lease shall commence on June 30, 1988 at 12:00:01 a.m. and shall terminate on the last day of the term stated on such Equipment Schedule (the "Base Term"). Either party, at its option, may terminate an Equipment Schedule with respect to Equipment listed therein which has not been delivered to Lessee prior to July 31, 1988.

4. RENTAL PAYMENTS: Rent for Equipment under this Lease shall be calculated according to the terms set forth in Schedule B attached hereto and made a part hereof and shall be due and payable on the dates set forth in the applicable Equipment Schedule. Lessor will provide an invoice for each payment of rent due under any

Equipment Schedule at least twenty (20) days prior to the date such payment is due. Such rent shall be payable at the office of Lessor, 201 Merritt Seven, Norwalk, Connecticut 06856-5151 or at such office as Lessor may otherwise designate in writing to Lessee.

During the Interim Term under any Equipment Schedule, Lessee shall pay interim rent from and including the acceptance date to June 30, 1988 at a rental which is calculated according to the terms set forth in Schedule B. Lessor shall send its invoice for the aggregate of such interim rent to Lessee and Lessee shall pay said rent on June 30, 1988.

5. **DELIVERY AND INSTALLATION:** Lessee will select the type, quantity and supplier of each item of Equipment designated in the appropriate Equipment Schedule and in reliance thereon such Equipment will then be ordered by Lessor from such supplier or Lessor will accept an assignment of any existing purchase order therefor. Lessor shall have no liability for any delivery or failure by the supplier to fill the purchase order or meet the conditions thereof. Lessor shall have no liability for, and Lessee shall, at its own expense, pay all applicable transportation, packing, taxes, duties, insurance, installation, testing and other charges in connection with the delivery, installation and use of the Equipment, unless such expense shall be allowed or borne by the manufacturer or supplier of the Equipment as part of the purchase

price thereof or under any purchase agreement therefor.

6. WARRANTIES: LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT, THE WORKMANSHIP IN THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENT OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS.

Lessee, accordingly, agrees not to assert any claim whatsoever against Lessor based thereon. Lessee further agrees, regardless of cause, not to assert any claim whatsoever against Lessor for loss of anticipated profits or consequential damages. Lessor shall have no obligation to install, erect, test, adjust, service, or maintain the Equipment. Lessee shall look to the manufacturer and seller, or either of them, for any claims related to the Equipment.

Lessor hereby acknowledges that any manufacturer's or seller's warranties are for the benefit of both Lessor and Lessee.

NOTWITHSTANDING THE FOREGOING, LESSEE'S OBLIGATIONS TO PAY THE RENTALS OR OTHERWISE UNDER THIS LEASE SHALL BE AND ARE ABSOLUTE AND UNCONDITIONAL.



To the extent permitted by the manufacturer or Seller, Lessor shall make available to Lessee all manufacturer's or seller's warranties with respect to the Equipment.

Nothing herein shall be construed to preclude or limit in any way Lessee's right to proceed against the manufacturer or Seller of the Equipment in Lessee's name with respect to any claim Lessee may have against the manufacturer or Seller. In the event that Lessor is a necessary party for the prosecution of any such claim, Lessee shall not proceed with the prosecution thereof in Lessor's name, except with Lessor's prior written consent which shall not unreasonably withheld.

7. TITLE TO AND LOCATION OF EQUIPMENT: Title to each item of Equipment leased hereunder shall remain with the Lessor at all times and the Lessee shall have no right, title or interest therein, except as expressly set forth in this Lease. Lessee, at its expense, will protect and defend Lessor's title to the Equipment, except those which arise by, through or under Lessor, and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal processes except those which arise by, through or under Lessor. Lessor assumes no liability for, and makes no representation as to, the treatment by Lessee of this Lease, the Equipment or the rental payments in or for Lessee's financial statements or for Lessee's tax purposes.

All items of Equipment shall at all times be and remain personal property. The Equipment shall be delivered to the location specified in the Equipment Schedule with respect thereto. The Lessor shall be permitted to display notice of its ownership of the Equipment by affixing to each item of Equipment an identifying stencil or plate or any other indicia of ownership and Lessee will not alter, deface, cover or remove such ownership identification.

8. USE OF EQUIPMENT, INSPECTION AND REPORTS: Lessee may possess and use the Equipment in accordance with this Lease, provided that any such use is in conformity with all applicable laws, any insurance policies, and any warranties of the manufacturer with respect to the Equipment.

Lessor shall have the right, upon reasonable prior notice to the Lessee, and during the Lessee's regular business hours, to inspect the Equipment at the premises of the Lessee or wherever the Equipment may be located. Lessee shall promptly notify Lessor of all details arising out of any alleged encumbrances on the Equipment or any accident allegedly resulting from the use or operation thereof.

9. OPERATING RULES AND REGULATIONS: Lessee agrees to comply with all local, state and Federal governmental laws, regulations and requirements, including the Interchange Rules and all other

rules of the Association of American Railroads (or any successor thereto) (the "AAR") and the Interstate Commerce Commission. In case any equipment or appliance on any Equipment shall be required to be changed or replaced, or any additional or other equipment or appliance is required to be installed on such Equipment in order to comply with such laws, regulations, requirements and rules, Lessee agrees to make such changes, additions and replacement at its own expense and title thereto shall be immediately vested in Lessor.

10. FURTHER ASSURANCES: (a) Lessee shall execute and deliver to Lessor upon Lessor's request such instruments and assurances as Lessor deems necessary for the confirmation or perfection of this Lease and Lessor's rights hereunder. In furtherance thereof, Lessor may file or record this Lease or a financing statement with respect thereto so as to give notice to any interested parties. Any such filing or recording shall not be deemed evidence of any intent to create a security interest under the Uniform Commercial Code. Lessor, at its own expense, will cause this Lease to be filed in accordance with 49 U.S.C. 11303(a) with the Interstate Commerce Commission.

(b) The Lessor warrants that it has sufficient title to the Equipment and lawful authority to enable it to enter into this Lease with Lessee. The Lessor agrees that the Lessee may utilize the Equipment during the term hereof free of adverse claims arising by,

through or under Lessor and enjoy peaceful and quiet possession thereof, provided Lessee pays the applicable rent in the manner heretofore specified and performs all other terms and conditions contained herein.

11. RISKS OF LOSS: All risk of loss, damage, theft or destruction to each item of Equipment shall be borne by the Lessee. No such loss, damage, theft or destruction of the Equipment, in whole or in part, shall relieve Lessee of its obligations under this Lease, all of which shall continue in such event in full force and effect. In the event of loss, damage, theft or destruction of the Equipment, in whole or in part, Lessee, at Lessee's option, shall (a) place the affected Equipment in good repair, condition and working order or (b) replace the same with like equipment of equal value and utility or (c) terminate this Agreement with respect to such Equipment by paying the Lessor the stipulated loss value covering such affected Equipment set forth in Schedule B to the applicable Equipment Schedule (hereinafter, the "Stipulated Loss Value") plus any rent and other sums then due and payable with respect to such equipment, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss, damage, theft or destruction. Provided that Lessee is not in default under this Lease, Lessee shall be subrogated to Lessor's rights which respect to any insurance policies or claims for reimbursement by others with respect to such loss, damage, theft or destruction.

12. **INSURANCE:** During the term hereof, Lessee will either (i) maintain Comprehensive General Liability Insurance, covering bodily injury and property damage, and All Risk Property Insurance covering the replacement value of the Equipment and will name Lessor as an additional insured on the primary policy of such Comprehensive General Liability Insurance and as loss payee on such All Risk Property Insurance; or (ii) self-insure for all or part of such coverage, at Lessee's sole option.

13. **EXPENSES, FEES AND TAXES:** In addition to the rental payments, due under this lease, Lessee shall pay promptly when due, all costs, expenses, fees, charges and taxes (including sales, use, excise, personal property, ad valorem, stamp documentary) incurred in connection with the titling, licensing, registration, use, rental, shipment, transportation, delivery, purchase, ownership or operation thereof, and on or relating to this Lease and any Equipment Schedule. In case any report or return is required to be filed with respect to any taxes, Lessee will, to the extent legally permissible, file such report or return or notify Lessor in writing to the extent Lessor must file such report or return in sufficient time for Lessor to make such filing of the required report or return. All reports and returns filed by Lessee will be in Lessee's name and account number and will show the ownership of the Equipment in Lessor. To the extent requested by Lessor, Lessee will promptly supply Lessor a copy of such reports or returns. Lessee shall promptly reimburse Lessor for any taxes charged to or assessed against Lessor.

If Lessee should fail to pay any of the costs, expenses, fees, charges and taxes for which Lessee is liable hereunder, Lessor may, but shall not be required to pay the same for the account of Lessee. Lessee shall reimburse Lessor, upon demand, as additional rent hereunder, for the full amount of any costs, expenses, taxes or other charges paid by Lessor which constitute an obligation of Lessee hereunder.

14. LESSOR'S PERFORMANCE OF LESSEE'S OBLIGATIONS: If Lessee shall fail to duly and promptly perform any of its obligations under this Lease with respect to the Equipment, Lessor may (at its option) perform any act or make any payment which Lessor deems necessary for the maintenance and preservation of the Equipment and Lessor's title thereto, including payments for satisfaction of liens, repairs, taxes, and levies and all sums so paid or incurred by Lessor, together with interest as provided below, and any reasonable legal fees incurred by Lessor in connection therewith, shall be additional rent under this Lease and payable by Lessee to Lessor on demand. The performance of any act or payment by Lessor as aforesaid shall not be deemed a waiver or release of any obligation or default on the part of the Lessee.

15. LATE CHARGES: Should Lessee fail to duly pay any part of any rental payment or other sum to be paid to Lessor under this Lease, then Lessee shall pay interest on such delinquent payment

from the due date until paid at the prime rate promulgated from time to time by The Chase Manhattan Bank, N.A..

16. INDEMNIFICATION: Lessee assumes liability for, and hereby agrees to indemnify, protect and keep harmless Lessor, its agents, employees, officers, directors, successors and assigns from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by Lessee or Lessor), operation, ownership, selection, delivery, leasing, subleasing, trip-leasing or return of any item of Equipment, regardless of where, how and by whom operated, or any failure on the part of Lessee to perform or comply with any conditions of this Lease. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect with respect to injury or damage suffered prior to expiration hereof notwithstanding the expiration or other termination of this Lease. Lessee is an independent contractor and nothing contained in this Lease shall authorize Lessee or any other person to operate the Equipment so as to incur or impose any liability or obligation on behalf of Lessor.

Notwithstanding the above or anything else to the contrary herein, Lessee shall not be precluded from proceeding against persons, other

than Lessor, whom Lessee believes may be responsible or liable for injury or damage incurred by Lessee or others.

17. NO OFFSET: This Lease is a net lease and all rental payments or other sums which from time to time be due and payable Lessor under this Lease shall be paid when due by Lessee with respect to such Equipment, irrespective of any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, the supplier of the Equipment or any other party.

18. PURCHASE OPTION: Lessee shall, provided that Lessee shall not be in default under this Lease, have an option to purchase any Equipment by Lessee's written notice to Lessor, at Lessor's address stated above, not earlier than 270 days nor later than 180 days prior to the end of the original lease term of any Schedule for "fair market value" ("FMV"). FMV for Equipment shall be determined on the basis of, and shall be equal in amount to, the value which one would obtain in an arm's length transaction between an informed and willing buyer-user and an informed and willing seller under no compulsion to sell and, in such determination, the costs of removal of the Equipment which is subject to the Lessee's notice from its location of current use shall not be a deduction from such value.



In the event a FMV is not agreed upon by Lessee and Lessor, a FMV shall be determined by an average of 3 independent appraisals by parties which shall include two parties individually, one selected by Lessee and one selected by Lessor, and a third mutually selected by Lessee and Lessor at the parties mutual expense.

19. RENEWAL: Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than 180 days nor more than 270 days prior to the end of the original term of this Lease, elect to extend such original term in respect of Equipment designated by Lessee in its notice for a period or periods not less than one year also designated by Lessee, commencing on the scheduled expiration of such original term at a fair market rental ("FMR") payable, in arrears, in quarterly payments in each year of such extended term on the same day as rentals were payable for such Equipment during the mature term of this lease . In the event of any such renewal, stipulated loss values in respect of the Equipment shall be as agreed upon by the Lessor and the Lessee, but shall in no event exceed the FMV (as defined in Paragraph 18, above).

The FMR for each extended term of this lease shall be equal to the rental which one would obtain in an arm's-length transaction between an informed and willing lessee (other than the Lessee currently in possession) and an informed and willing lessor under no compulsion to lease, and the costs of removal from the location of current use shall not be a deduction from such rental.

In the event FMR is not agreed upon by Lessee and Lessor, it shall be determined by the average of three (3) independent appraisals by parties which shall include two parties, one selected by Lessee and one selected by Lessor, and a third mutually selected by Lessee and Lessor at the parties' mutual expense.

20. ECONOMIC OBSOLESCENCE: In the event that the Lessee shall, in its reasonable judgment, determine that Equipment leased under this Lease have become economically obsolete in the Lessee's business and an officer of the Lessee shall have provided a certificate to such effect to the Lessor, the Lessee shall have the right, at its option and on at least 120 days' prior written notice to Lessor, to terminate (which act shall hereinafter be called the "Economic Termination") this Lease as to not less than all the Equipment specified in such termination notice as of the succeeding rental payment date specified there-in (such termination date so specified being hereinafter called the "Economic Termination Date"); provided, however, that (i) the Economic Termination Date shall not be earlier than June 1, 1995 (ii) no Event of Default or other event which after the lapse of time or the giving of notice or

both would become an Event of Default shall have occurred and be continuing on such date, and (iii) on the Economic Termination Date all Equipment shall be in the condition required for redelivery pursuant to Paragraph 23 of this Lease.

During the period after the giving of such notice until the fifth business day preceding the Economic Termination Date, the Lessee shall use its best efforts to obtain bids for the purchase of such Equipment, and the Lessee shall at least five business days prior to such Economic Termination Date certify to the Lessor the amount of each such bid and the name and address of the party (which shall not be a corporation, other entity or individual affiliated with the Lessee or any party from whom the Lessee or any such affiliate intends thereafter to lease such Equipment) submitting such bid. On the Economic Termination Date the Lessor shall sell such Equipment for cash to the bidder who shall have submitted the highest bid prior to the Economic Termination Date. The total sale price realized at each such sale shall be retained by the Lessor.

On such Economic Termination Date, the Lessee shall pay to the Lessor with respect to such Equipment an amount equal to the excess, if any, of the Economic Termination Payment (as hereinafter defined) for the Equipment thus sold computed as of such date over the sale price of the Equipment thus sold after the deduction of all expenses incurred by the Lessor (including any applicable sales tax) in connection with such sale. The Economic Termination Payment for the Equipment thus sold as of the Economic Termination Date shall be the sum of (i) that percentage of the Lessor's original acquisition cost

(including applicable taxes) of such Equipment as is set forth opposite such date in Schedule C to the applicable Equipment Schedule, and (ii) rent due on such Economic Termination Date. In no event shall the aggregate amount of sale proceeds retained by the Lessor and Economic Termination Payment received by the Lessor as aforesaid be less than the sum of stipulated loss value for the Equipment thus sold and any other sums then due and payable with respect to such Equipment as of such Economic Termination Date.

If no sale of Equipment shall occur on the Economic Termination Date with respect thereto as provided above, this Lease shall continue in full force and effect without change, unless no sale occurs on the Economic Termination Date on the account of the Lessor's intentional or negligent failure to consummate such sale to the highest bidder or the Lessee's failure to obtain any bids solely due to the intentional, willful and unreasonable interference by Lessor with Lessee's solicitation of bids.

Subject to the receipt by the Lessor on the Economic Termination Date of the amounts above described, the obligation of the Lessee to pay rent in respect of such Equipment on each rental payment date shall continue to and include the rental payment date which is the Economic Termination Date, but shall then terminate. The Lessor shall be under no duty to solicit bids, to inquire into the efforts of the Lessee to obtain bids or otherwise to take any action or incur any cost or expense in connection with any sale other than to transfer or to cause to be transferred all of the Lessor's right,

title and interest in and to such Equipment to the purchaser named in the highest bid certified by the Lessee to the Lessor as above provided. Any such sale shall be free and clear of all of the Lessee's rights to such Equipment, but otherwise shall be made on an AS-IS-WHERE-IS basis without representation and warranty of any kind, expressed or implied, except that Lessor shall warrant that it has good and marketable title to such Equipment and that it has done no act to encumber the same.

If the Lessee shall exercise its option to effect an Economic Termination with respect to any Equipment leased under the Lease the Lessor may, notwithstanding such election by the Lessee, by written notice to the Lessee given within 60 days after the termination notice is given to the Lessor, elect to retain the Equipment specified in the termination notice for such Equipment. In the event the Lessor shall so elect to retain such Equipment, the Lessee shall not be obligated to pay an Economic Termination Payment or any other sum to the Lessor and the Lessee shall deliver such Equipment to the Lessor.

21. ASSIGNMENT BY LESSEE: Without Lessor's prior written consent, Lessee may not, by operation of law or otherwise, (a) assign, transfer, pledge, hypothecate or otherwise dispose of this Lease or any interest therein or (b) sublet or lend the Equipment or permit same to be used by anyone other than Lessee or Lessee's employees, except that Lessor's prior written consent shall not be required in the event that (a) Lessee would assign, transfer pledge

or hypothecate this Lease to a wholly-owned subsidiary thereof or to an affiliate thereof, wholly-owned directly or indirectly, by its ultimate parent, BASF Aktiengesellschaft, or (b) Lessee would enter into trip-leases or other arrangements with respect to the Equipment which may be customary in the ordinary course of Lessee's business. Irrespective of any permitted transaction set forth above, Lessee agrees to remain primarily liable to Lessor under all terms and conditions of this Lease.

22. ASSIGNMENT BY LESSOR: For the purpose of providing funds for financing the purchase of the Equipment, or for any other purpose, Lessee agrees (a) that Lessor may assign, sell or encumber all or any other part of this Lease, the Equipment and the rental payments hereunder and (b) that, in the event of any such assignment, of rental payments hereunder and written notice thereof to Lessee, to unconditionally pay directly to any such assignee all rentals and other sums due or to become due under this Lease and (c) that the Equipment leased hereunder may be mortgaged by Lessor under a chattel mortgage. In any such event, the right, title and interest of the mortgagee under any such chattel mortgage shall, by express terms of such chattel mortgage, be subject to the leasehold interest of Lessee in and to the Equipment hereunder. THE RIGHTS OF ANY SUCH ASSIGNEE SHALL NOT BE SUBJECT TO ANY DEFENSE, COUNTERCLAIM OR SET-OFF WHICH LESSEE MAY HAVE AGAINST THE LESSOR.

Notwithstanding the foregoing, any such assignment (a) shall be subject to Lessee's right to possess and use the Equipment so long as Lessee is not in default under this Lease and (b) shall not release any of Lessor's obligations hereunder or any claim which Lessee has against Lessor.

23. MAINTENANCE, REPAIRS AND RETURN OF EQUIPMENT: Lessee shall, at no expense to Lessor, maintain, repair and test cars and appurtenances in accordance with the Code of Interchange Rules of the Association of American Railroads and the regulations of the U.S. Department of Transportation and any other federal authorities having jurisdiction. If and when any car shall require maintenance, repair, inspection, or be due for testing, and/or repair or replacement of unloading valves, safety relief valves, safety heads, fittings or any similar devices on cars or any other operating part of car, Lessee will have responsibility for completing such maintenance, repair, replacement, inspection or testing and will maintain cars in an acceptable operating condition for interchange.

Upon Economic Termination or expiration of the term under an Equipment Schedule, or a renewal period thereof, if any, Lessee will, at its expense, insure and release for delivery such items of Equipment with instructions to the railroad to deliver within 10 days of expiration of an Equipment Schedule or Economic Termination to Lessor at Lessee's expense at any place or places in the continental United States designated by Lessor in writing.

All Equipment so released by Lessee to Lessor shall be in the same condition as when first delivered to Lessee, reasonable wear and tear excepted, and in the condition specified in this Section 23.

Whenever Equipment is to be returned to Lessor hereunder, Lessee shall give prompt telegraphic and written notice to the AAR and all railroads having possession of any Equipment to return such Equipment to Lessor at the location designated in writing by Lessor. For the purpose of delivering possession of any Equipment to Lessor, Lessee will, at its own expense and risk (but only to the extent that the risk of loss is not assumed by the railroad to whom the Equipment is delivered); (i) forthwith and in the usual manner cause such Equipment to be released to a railroad to be transported to the storage tracks of any railroad within the continental United States, as shall be designated by Lessor, (ii) arrange for Lessor to store such Equipment on any lines of a railroad or premises selected by Lessor until such Equipment has been sold, leased or otherwise disposed of by Lessor; and (iii) cause such Equipment to be transported to such interchange point or points as shall be designated by Lessor upon any sale, lease or other disposition of all or any of such Equipment. Notwithstanding anything set forth in the immediately preceding sentence, storage of the Equipment due to expiration or termination for reasons other than default shall be for Lessor's account.



24. EVENTS OF DEFAULT: Lessee shall be in default under this Lease upon the happening of any of the following events or conditions ("Events of Default"):

(a) Default by Lessee in payment of any installment of rent or any other indebtedness or obligation now or hereafter owed by Lessee or Lessor under this Lease or otherwise; or (b) default in the performance of any obligation, covenant or liability contained in this Lease; or (c) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished; or (d) the making of any levy, seizure or attachment of or on the Equipment; or (e) dissolution of Lessee, termination of its existence, the discontinuance of its business, insolvency, business failure, or appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by, Lessee or the commencement of any proceedings under any bankruptcy, reorganization or arrangement laws by or against Lessee. In the event of an Event of Default, Lessor shall give Lessee written notice specifying the Event and Lessee, for those defaults set forth in subparts (a), and (b), of the immediately preceding sentence and Lessee shall have twenty (20) days to remedy the Event of Default.

25. REMEDIES OF LESSOR: Upon the occurrence of any Event of Default and at any time thereafter (subject to any applicable grace provisions), Lessor may without any further notice exercise one or more of the following remedies as Lessor, in its sole discretion, shall elect: (a) declare all past due unpaid rentals under this Lease to be immediately due and payable; (b) terminate this Lease as to all or part of the Equipment; (c) take possession of the Equipment wherever found, and for this purpose peaceably enter upon any premises of Lessee and remove the Equipment; (d) cause Lessee, at Lessee's expense, to promptly return the Equipment to Lessor in the condition and manner set forth in Section 23; (e) in a commercially reasonable manner, sell, lease or otherwise dispose of the Equipment or any item thereof on the premises of Lessee or any other location without affecting the obligations of Lessee as provided in this Lease; (f) in a commercially reasonable manner, sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than ten (10) days prior to the date thereof shall constitute reasonable notice thereof to Lessee; (g) proceed by appropriate action either by law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; (h) exercise any and all rights accruing to a Lessor under any applicable law upon

default by a Lessee. In addition, Lessor shall be entitled to recover immediately as liquidated damages for loss of a bargain and not as a penalty an amount equal to the Stipulated Loss Value for Equipment (as set forth in Schedule B to the applicable Equipment Schedule) on the date Lessor declares this Agreement to be in default, together with interest as provided herein.

After default at the request of Lessor and to the extent requested by Lessor, Lessee shall comply with the provisions of Paragraph 23 of this Agreement. Lessor shall sell or lease the Equipment at private or public sale, in bulk or in parcels, with or without notice, without having the Equipment present at the place of sale or lease. The proceeds of sale, lease (lease rentals shall be discounted at the then Prime Rate as published by Chase Manhattan Bank, N.A.) or other disposition, if any, shall be applied (1) to Lessor's costs, charges and expenses incurred in taking, removing, holding, repairing and selling, leasing or otherwise disposing of Equipment; then, (2) to the extent not previously paid by Lessee, to pay Lessor the Stipulated Loss Value for Equipment and all other sums, including any unpaid rent and any indemnification then remaining unpaid thereon; then (3) to reimburse to Lessee any such sums previously paid by Lessee as liquidated damages; (4) any surplus shall be retained by Lessor. Lessee shall pay any deficiency in (1)

and (2) forthwith. None of the remedies under this Lease are intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor in law or in equity. Any repossession or subsequent sale or lease by Lessor of any item of Equipment shall not bar an action for a deficiency as herein provided, and the bringing of an action or the entry of judgment against the Lessee shall not bar the Lessor's right to repossess any or all items of Equipment.

25. SEVERABILITY: Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition and unenforceable without invalidation the remaining provisions hereof. To the extent permitted by applicable law, Lessee hereby waives any provision of law which prohibits or renders unenforceable any provisions hereof in any respect.

26. NOTICES: All notices, reports, and other documents provided for herein shall be deemed to have been given or made when mailed, postage prepaid, or delivered to a telegraph or cable company, addressed to Lessor or Lessee at their respective addresses set forth above or such other addresses as either of the parties hereto may designate in writing to the other from time to time for such purpose.

27. AMENDMENTS AND WAIVERS: This instrument and the Schedules executed by Lessor and Lessee constitute the entire agreement between Lessor and Lessee with respect to the Equipment and the subject matter of this Lease: No term or provision of this Lease may be changed, waived, amended or terminated except by a written agreement signed by both Lessor and Lessee, except that Lessor may insert the serial number of any item of Equipment on the appropriate Schedule after delivery thereof. No express or implied waiver by Lessor of any Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default whether similar in kind or otherwise.

28. CONSTRUCTION: This Lease shall in all respects be governed by and construed in accordance with the laws of the State of Connecticut. The titles of the sections of this Lease are for convenience only and shall not define or limit any of the terms or provisions hereof. Time is of the essence of this Lease in each of its provisions.

29. PARTIES: The provisions of this Lease Shall be binding upon, and inure to the benefit of, the assigns, representatives and successors of the Lessor and Lessee. If there is more than one Lessee named in this Lease, the liability of each shall be joint and several.

LESSEE HEREBY ACKNOWLEDGES RECEIPT OF AN EXECUTED AND TRUE COPY OF  
THIS LEASE.

IN WITNESS WHEREOF, the Lessor and Lessee have each caused this  
Lease to be duly executed.

LESSOR:

LESSEE:

PITNEY BOWES CREDIT CORPORATION

BASF CORPORATION

By: *L. D. Osmanski*

By: *W. R. Kusak*

Title: **L. D. OSMANSKI**  
**Vice President**  
**Operations**

Title: *Executive Vice President*

Date: *3-31-88*

Date: *March 31, 1988*

CORPORATE FORM OF ACKNOWLEDGEMENT

State of New Jersey    )  
                                  ) SS:  
County of Morris        )

On this 31<sup>st</sup> day of March, 1988, before me personally appeared Peter R. Heinze, to me personally known, who being by me duly sworn, says that he is the Executive Vice President of BASF Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Helena Mueller  
Signature of Notary Public

My commission expires March 1, 1993

Seal

HELENA MUELLER  
NOTARY PUBLIC OF NEW JERSEY  
I. D. # 2041103  
MY COMMISSION EXPIRES MARCH 1, 1993

CORPORATE FORM OF ACKNOWLEDGEMENT

State of Connecticut     )  
                                  ) SS:  
County of Fairfield     )

On this 31st day of March, 1988, before me personally appeared L. D. Osmanski, to me personally known, who being by me duly sworn, says that he is the Vice President-Operations of Pitney Bowes Credit Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary E. Burke  
Signature of Notary Public

My commission expires NOTARY PUBLIC  
MY COMMISSION EXPIRES MARCH 31, 1992

Seal



**PBCC**

Pitney Bowes Credit Corporation

EQUIPMENT

**LEASE SCHEDULE**

Master Equipment

Lease Agreement No.: 0045302

Account Billing No.: \_\_\_\_\_

Master Equipment

Lease Agreement Date: March 11, 1988

Lessee Purchase

Order No.: \_\_\_\_\_

Lease Schedule No.: 801

Outside Commitment

Date: \_\_\_\_\_

Lease Schedule Date: March 28, 1988ITC Retained by Lessor: Yes \_\_\_\_\_ No X  
Seven (7) \_\_\_\_\_ year class recovery propertyBetween **PITNEY BOWES CREDIT CORPORATION** (Lessor) and BASF CORPORATION  
(Lessee).

1. **Equipment Description** **Manufacturer Model & Serial Number**  
Quantity Item

See Schedule 'A' attached hereto and made a part hereof.

2. **Equipment Location**

The above Equipment is to be located and delivered to Lessee's premises at

~~XX Campus Drive XX Parsippany, NJ XX 07054~~ 602 Copper Road, Freeport, TX 77541

3. **Billing Address**

100 Cherry Hill Road, Parsippany, NJ 07054

~~800 Campus Drive XX Parsippany, NJ XX 07054~~ Attn: Manager Rail & Marine Operations

4. **Original Rental Term**

Two Hundred Forty Months. Payable Quarterly in Arrears  
(240)

5. **Aggregate Rental for Original Rental Term**

\*\*\$858,198.20 payable as follows: 29-39 \$9,806.28 40-80 \$11,985.41

Rental Payment of \*\*1-28 \$9,325.23, plus interim rent, plus applicable Sales/Use Tax.The first Rental Payment of \$9,325.23, plus applicable Sales/Use Tax is due on  
\_\_\_\_\_. \*\* Payments subject to terms and conditions of Schedule

"B" Variable Rate Addendum to Master Equipment Lease Agreement

6. **Number and Amount of Advance Rental Payments**

Number: N/A Amount: \_\_\_\_\_

7. **Renewal Option** Fair Market Value

8. **Purchase Option** Fair Market Value

8.a. **Economic Termination Values:** See Schedule "C" attached hereto and made a part hereof.

9. **THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR.**

10. **Stipulated Loss Values:** See Schedule "B" attached hereto and made a part hereof.  
Accepted by:

**PITNEY BOWES CREDIT CORPORATION (Lessor)****BASF CORPORATION (Lessee)**Name: L.D. OsmanskiName: Charles L. Truett *cdm*Title: Vice PresidentTitle: Assistant TreasurerDate: 3-31-88Date: March 28, 1988

Operations

**PBCC**

Pitney Bowes Credit Corporation

SCHEDULE 'A'  
Equipment ListLease Schedule no. 0045302-801

This schedule is attached to and made a part of the Equipment Schedule No. 801 dated March 28, 1988 to Lease Agreement dated March 11, 1988, between Lessor, Pitney Bowes Credit Corporation and the undersigned Lessee.

| <u>Quantity</u> | <u>Description of Equipment</u>   | <u>Serial No.</u> |
|-----------------|---|-------------------|
| Four (4)        | 23,834 Gallon Shell Capacity 108" I.D.<br>DOT 111A60ALWL Aluminum Railroad<br>Tank Cars B.D. 52-238-5<br>Car Registration Numbers: DBCX457 Serial Numbers: T458602<br>DBCX458 T458603<br>DBCX460 T458605<br>DBCX461 T458606 |                   |

This schedule is hereby verified correct and undersigned acknowledges receipt of a copy.

LESSOR: PITNEY BOWES CREDIT CORPORATION

LESSEE: BASF CORPORATION

Dated this 28th day of March 1988By L. D. OsmanskiTitle L. D. OSMANSKI

President

Operations

By Charles L. TruetTitle Assistant Treasurer